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Cardno announces upgrade to forecast profit

The directors of infrastructure services company Cardno Ltd (ASX: CDD) today announced that they estimate the Company's full year results for the 2006 financial year will be between 15% and 20% better than the \$9.08 million proforma 2005 financial year after tax profit forecast contained in Cardno's May 2005 capital raising prospectus.

Cardno Managing Director, Mr Andrew Buckley said that the upgraded profit forecast was based on the company continuing to experience strong business conditions across many sectors of its operations.

"In addition, our recently acquired businesses, Cardno Acil, Cardno Agrisystems, Cardno Eppell Olsen and Cardno Ullman & Nolan, are now making a solid contribution to Cardno's bottom line."

Mr Buckley noted that the demand for consulting engineering services in the Australian market remained buoyant, and that recent announcements by the Federal Government regarding foreign aid expenditure would underpin the expanding international operations of the company.

Mr Buckley said, "We are seeing an increasing commitment by the governments of many western nations, including Australia, to deliver aid assistance to developing countries. Cardno has an excellent track record in this sector, and is well positioned to further assist governments in this process.

Our on-going commission by the UNDP to monitor the delivery of US\$400 million of Indonesian Government reconstruction funding to the tsunami-devastated areas of Aceh-Nias is an example of Cardno's increasing profile in this market sector."

Cardno recently announced that it was capitalising on the strong conditions in north eastern Australia by acquiring Cardno Ullman & Nolan with its main base in Mackay and offices in Brisbane and Darwin. Mr Buckley noted that while some competitors were focusing their efforts in capital cities, Cardno remained committed to the operation of financially sound regional offices throughout Australia.

Cardno Chairman, Mr John Massey said the upgraded profit forecast continued to reflect the success of the company's growth strategy. Mr Massey noted that the upgraded profit forecast represents an increase of more than 40% over the 2005 financial year profit of \$7.45 million after tax.

"Our increased performance is underpinned by the company's commitment to sustainable organic growth and targeted acquisition. Cardno will continue to look for growth opportunities to improve shareholder value, and the directors are confident that the pipeline of such opportunities remains healthy", Mr Massey said.

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About Cardno: Cardno is an integrated professional services provider, locally delivering the specialist advice necessary to create or improve the physical and social infrastructure that underpins communities around the world. Our team comprises leading advisers who plan, design and deliver sustainable projects or community programs. We are an international company, listed on the Australian Stock Exchange [ASX: CDD].

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